



Multistate Tax Commission Audit Committee Meeting July 28, 2020

1. Productivity

The Joint Audit Program completed one (1) corporate income tax audit and parts of ten (10) other corporate income tax audits during fiscal year 2020. Audit staff also completed seven (7) sales tax audits and parts of eight (8) other sales tax audits. Currently, there are nineteen (19) income tax audits and thirty-one (31) sales tax audits in progress.

The program proposed assessments of \$181,954,548 for completed and partially completed corporate income tax audits and \$1,625,565 for completed and partially completed sales tax audits during fiscal year 2020.

2. Staffing

With the recent closing of the Chicago Audit Office, the Joint Audit Program lost Michelle Becker, the program's administrative assistant. Michelle's replacement will report to the Washington DC office, but the hiring process has been placed on hold due to COVID-19 pandemic.

3. Audit Committee

The Audit Committee last met via teleconference on April 21, 2020. This was the third and final meeting for the Audit Committee in fiscal year 2020. The Audit Committee previously met in Boise, Idaho on August 5, 2019 and San Antonio, Texas on November 5, 2019.

During the spring meeting in April, the committee discussed the progress of current audits, and participated in a round table discussion in which member representatives compared new policies, procedures and software changes their agencies implemented to manage challenges presented by the COVID-19 pandemic. Due to challenges of providing a virtual meeting, the legal developments update customarily provided by the MTC legal staff was postponed. This training was later provided on June 12, 2020.

4. Training

The Joint Audit Program staff provided instruction at three trainings during the 2020 fiscal year.

- Focused Corporate Income Tax Class
September 27-28, 2019 in Columbia, SC
Larry and I were instructors for this class.
- Corporate Income Tax Class
September 24-27, 2019 in Itasca, Illinois
Cathy, Jeff and I were instructors for this class.
- Statistical Sampling Class for Sales and Use Tax Audits
October 8-11, 2019, in Portland, Maine
Bob and Jantha were instructors for this class.
- Partnership State Tax Webinar
March 12, 2020
Cathy was an instructor for this class.
- Basics of Transfer Pricing Practice and Theory for State Tax Lawyers and Auditors
Part I- May 12, 2020
Part II- May 19, 2020
Part III- May 28, 2020
I was an instructor for these classes.
- Upcoming training opportunities:
 - Market Based Sourcing Training: Michael Fatale and I are working to develop a virtual multi-session training course on market-based sourcing focusing on the MTC's model statute and regulation. Exact dates, times and fees are still being determined.
 - General Corporate Income Tax Training: This course was originally planned as an in-person training in June 2020 in Virginia, then rescheduled for October 2020. Training may be provided virtually. Exact dates, times, and fees are still being determined.

For information regarding upcoming MTC training, contact Sherry Tiggett at STiggett@MTC.gov or (202) 650-0296 or visit our website at <http://www.mtc.gov/Events-Training>.